

Message Text

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14

ACTION TRSE-00

INFO OCT-01 EA-11 ADP-00 NEA-10 IO-12 CEA-02 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 SS-15 STR-08 OMB-01 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-02 PA-03 USIA-12 PRS-01 RSR-01 (ADP) W
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R 100755 Z MAY 73

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 5103

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USADB

TREASURY FOR FINKEL

E. O. 11652: ADS, DECLAS 12/31/73

TAGS: EAID, EFIN

SUBJECT: USES OF CONSULTANTS

REF: MANILA 4006, 3934

SUMMARY: DIRECTORS WILL CONSIDER PROPOSED REVISION
OF GUIDELINES ON USES OF CONSULTANTS AT BOARD MEETING
LIKELY TO BE HELD MAY 22. GUIDANCE REQUESTED.

1. ADB DOC R41-73 ENTITLED " REVISION OF GUIDELINES ON
USES OF CONSULTANTS BY ASIAN DEVELOPMENT BANK" WAS
POUCHED MAY 8 AND IS LIKELY TO BE CONSIDERED BY BOARD OF
DIRECTORS AS EARLY AS MAY 22. PAPER WAS PREPARED FOR
BOARD CONSIDERATION ON BASIS OF WHAT BANK STAFF BELIEVES
TO HAVE BEEN CONSENSUS REACHED AS RESULT OF PREVIOUS
BOARD DISCUSSIONS THIS SUBJECT. IT SETS OUT PROPOSED
CHANGES TO GUIDELINES AND INTERNAL PROCEDURES WHERE
APPLICABLE.

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2. TWO ISSUES ARE STILL OUTSTANDING AND HAVE BEEN POSTPONED FOR SUBSEQUENT CONSIDERATION. THESE RELATE TO CONSIDERATION OF COST AND POSSIBLE INTRODUCTION OF SOME FORM OF TWO- ENVELOPE SYSTEM IN SELECTION OF CONSULTANTS BY BORROWERS. (SEE PARAS 3.4 AND 13.4 OF ADB WORKING PAPER 3-73 DTD 7 MAR 1973.)

3. USADB BELIEVES PROPOSED CHANGES TO GUIDELINES ON " USES OF CONSULTANTS BY ASIAN DEVELOPMENT BANK AND ITS BORROWERS" OR INTERNAL PROCEDURES ARE GENERALLY ACCEPTABLE. HOWEVER, DO HAVE PROBLEM WITH PARA 7 RELATING TO ACHIEVING ADEQUATE GEOGRAPHICAL SPREAD. IN OUR VIEW, WHILE CONSENSUS OF BOARD DISCUSSION WAS UNANIMOUS TO ENCOURAGE BLENDING OF PROPOSALS ON VOLUNTARY BASIS BETWEEN CONSULTING FIRMS FROM DEVELOPED AND DEVELOPING MEMBER COUNTRIES, WE SEE PROPOSED AMENDMENT PARA 3.2 OF GUIDELINES AS SUGGESTED IN PARA 7 OF NEW PAPER AS MAKING IT MANDATORY RATHER THAN VOLUNTARY. WE CONSIDER PRESENT WORDING OF PARA 3.2 -- " THE EMPLOYMENT OF DOMESTIC FIRMS EITHER ALONE OR IN COMBINATION WITH FOREIGN FIRMS IS ENCOURAGED WHERE SUCH FIRMS ARE FOUND TO BE QUALIFIED TO PERFORM THE WORK." -- TO BE ADEQUATE AS IS. ALSO, USADB PREVIOUSLY EXPRESSED DISAPPROVAL OF ANY RETROACTIVE FINANCING OF CONSULTANTS, BUT BELIEVE PROPOSAL FOR ITS USE IN " VERY EXCEPTIONAL CASES" (PARA 27) IS BEST WE CAN HOPE FOR.

4. SEVERAL PROPOSED CHANGES WHICH USADB CONSIDERS ESPECIALLY CONSTRUCTIVE RELATE TO (A) MAINTAINING FULL AND ACCURATE MINUTES OF CONSULTANTS SELECTION COMMITTEE (PARA 14); (B) SUBMITTING MORE DETAILED POST- EVALUATION REPORTS TO BOARD ON COMPLETED TECHNICAL ASSISTANCE EFFORTS (PARA 2 2); (C) CONTINUING TO LIST INDIVIDUAL TA POSSIBILITIES IN MONTHLY OPERATIONAL INFORMATION REPORTS AS EARLY AS POSSIBLE (PARA 23); AND (D) ADOPTING MEASURES TO INSURE STRICTER CONTROL OF APPLICATION OF PROVISIONS RE AFFILIATION OF CONSULTANTS WITH MANUFACTURERS, SUPPLIERS AND CONTRACTORS (PARA 28).

5. AS THIS IS LIKELY TO BE FINAL CONSIDERATION BY BOARD ON PROPOSED CHANGES INDICATED IN DOC R41-73, USADB WOULD LIMITED OFFICIAL USE

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APPRECIATE ANY COMMENTS PRIOR TO ANTICIPATED MAY 22 BOARD MEETING.
HAMILTON

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*** Current Classification *** LIMITED OFFICIAL USE

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